

**Prepared by: Benefits and Entitlements Team, September 7, 1999
Updated January 8, 2003**

**For additional Information: (703) 696-6301 or DSN 426-6301
FAX: (703) 696-4705 or DSN 426-4705**

Guidelines for Preventing Erroneous FERS Retirements

A Guide for Human Resources Specialists

**Defense Civilian Personnel Management Service
Field Advisory Services Division
1400 Key Boulevard, Suite B-200
Arlington, VA 22209-5144**

PREVENTING ERRONEOUS FERS RETIREMENTS

Because of the various aspects of the Federal Employees Retirement System (FERS), agencies must ensure that they provide the most accurate information available to the employee. For the retirement counselor, a clear picture of retirement eligibility may not be readily apparent since all service under the FERS rules must be “paid” service; that is, covered by retirement deductions or a deposit. Because of these rules, many questions may arise; such as, how do I know if they have taken a refund? If the employee tells me that they will make the deposit to the Office of Personnel Management (OPM) for their non-deduction civilian service and yet they do not, what is the agency’s position? Do we have to reemploy the individual due to an erroneous retirement if the deposit is not made?

We have decisions under the Merit Systems Protection Board, the Comptroller General and the Courts that tell us that misinformation given to an employee may later result in a finding that the employee’s retirement was in error. In addition, the agency is responsible for reinstating the employee and paying back pay. (See Comp. Gen. B-223118, January 2, 1987, and Scharf v. Department of the Air Force, 710.F.2d 1572.) Erroneous separations can be caused by an agency’s failure to properly determine an employee’s eligibility to retire, eligibility for special formula benefits, and eligibility to continue health or life insurance into retirement. The employee’s Official Personnel Folder (OPF) must be reviewed when making these critical determinations. **This guide will address erroneous FERS retirements due to the employee not meeting the age and service, and other general eligibility requirements.**

For CSRS employees, determining creditable service, in most cases, should not be difficult. If there is documentation in the OPF of Federal service, then that Federal service is potentially creditable for retirement.

For FERS employees, even though the service is documented in the OPF, you must check for refunded service, and nondeduction service on or after 1/1/89. In both cases, the service is NOT potentially creditable. When making your determinations and prior to final communication to a FERS employee, if there is a break in the service, you should fax a request to OPM, Boyers, PA., to see if there was a refund. The form for this review is on OPM’s web site at <http://www.opm.gov/asd/hod/pdf/C040.pdf> (job aid #4). A copy is attached to this guide. Fax to (724) 794-4668, or you can write to the following address:

U.S. Office of Personnel Management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017

Once you receive the verification from OPM that the employee has or has not received a refund of retirement contributions, you should file this verification in the employee’s OPF as permanent documentation (right side of the OPF).

In no case will OPM automatically refund a former employee’s retirement contributions. The individual must have submitted an application in order to receive a refund. If the individual submitted a refund request, OPM will have that signed application on file.

If the employee has military service after 1956, and the employee has not paid a military deposit, OPM Form 1515, Military Service Deposit Election is required and must accompany the retirement package.

The attached checklist for FERS retirements should be completed to accompany the retirement package. The document will serve as proof that the servicing personnel office has reviewed the record and counseled the employee properly. We encourage the personnel office to obtain the employee's signature on the checklist to verify they were aware of their retirement requirements. A copy should be given to the employee for their records.

If steps are not taken to verify creditable service, you will risk providing inaccurate advice/information to your employees. Should you process an erroneous retirement, you will receive a letter from the OPM stating the reasons the employee is ineligible. In that case, you and your agency will be faced with reinstating the employee with back pay. However, if you have taken the appropriate actions, you will be sure about the creditability of the service. In addition, if the employee was counseled on making required deposits for civilian or military service, the employee has no reinstatement rights.

CHECKLIST FOR FERS RETIREE

The following checklist will assist you in developing your retirement case and making your determination on the eligibility for retirement:

Employee Name: _____

- ☐ The retirement code has been verified and is correct.
 - ☐ The employee elected FERS and has a CSRS component.
 - ☐ The employee elected FERS and had NO CSRS component.
 - ☐ The employee was automatic FERS.
- ☐ The MRA for this employee is: _____ .
 - ☐ Date of birth: _____.
 - ☐ Current age: _____.
- ☐ The employee's record has been reviewed and the employee () does () does not have temporary service. Date(s): _____ .
 - ☐ If the employee has pre-89 deposit service, the deposit () has () has not paid. This service () will () will not be credited using () CSRS () FERS rules. If FERS, a deposit must be made to be creditable service for retirement.
 - ☐ Employee must be counseled.
- ☐ The employee's record has been reviewed and the employee () did () did not have a break in service. Date(s): _____.
- ☐ OPM has verified that a refund () was () was not taken. It was () CSRS contributions, () FERS contributions.
 - ☐ If a refund was taken of FERS contributions, it is irrevocable and **THAT SERVICE PERIOD IS NOT CREDITABLE SERVICE**. Adjustment in the retirement SCD is required. (If a refund was requested after a FERS election, and there was a period covered by CSRS Interim or CSRS Offset, that service is not creditable.)
 - ☐ Employee must be counseled/informed.
- ☐ The employee () has () has no military service.
 - ☐ The deposit has been paid. The deposit must be paid to the agency payroll office prior to separation.
 - ☐ The employee must be counseled on the impact of non-payment of the deposit for military service and OPM Form 1515, Military Service Deposit Election, is required.

The record has been verified and the employee is eligible to retire.

AGE _____ YEARS OF CREDITABLE SERVICE _____

- ☐ **If a civilian deposit is required, the employee has been counseled and understands that the deposit is required to be eligible for a retirement benefit. If the deposit is not paid to OPM, and the employee is not eligible to retire, the employee does not have reinstatement rights.**
- ☐ **If the military deposit is required and has not been paid, the retirement action cannot be taken until the deposit is paid.**

Retirement Counselor

Employee

REQUEST FOR INFORMATION

A. Employee Information

Name: _____

Other names used: _____

Social Security Number: _____

Date of Birth: _____

PRIOR CIVILIAN SERVICE RECORD:

From:

To:

Retirement Coverage:

(CSRS, FERS, FICA,
CSRS Offset, Interim)

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

B. FOR OPM USE ONLY:

_____ Individual has NOT applied for a refund.

_____ Individual was mailed a full refund in the amount of \$ _____ on _____ for all service claimed.

_____ Individual was mailed a partial refund in the amount of \$ _____ on _____ for the following periods of service:

_____	_____
_____	_____
_____	_____

_____ Individual () has () has not made a deposit/redeposit for the period(s) of service claimed. (Indicated in Section A, as appropriate.)

_____ Individual has contributions of \$ _____ in the Retirement Fund.

FAX to OPM, Boyers at (724) 794-4668

Civilian Personnel Office: _____

Name: _____

Commercial Phone Number: _____

Commercial FAX Number: _____